GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1063
ANSWERED ON:07.12.2004
HINDUSTAN STEELWORKS CONSTRUCTION LIMITED .
Khan Shri Sunil

Will the Minister of STEEL be pleased to state:

:

(a) whether the Government has any proposal to revive Hindustan Steelworks Construction Limited ;

(b) if so, the funds likely to be given for the purpose ;

(c) whether all dues of the employees who opted for VRS have been paid ;

(d) if not, the time by which these are likely to be cleared ;

(e) whether the Government is aware that the management is threatening the permanent employees either to take V.R.S. or take dire consequences ; and

(f) if so, the facts of the matter and the steps taken or proposed to be taken to safeguard the interests of the employees ?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) & (b) Government has granted a comprehensive financial Restructuring-cum-Financial Assistance Package in July,1999 for revival of Hindustan Steelworks Construction limited (HSCL). The salient features of the package are as follows :-

- Conversion of plan loans as on 31.3.1999 into equity Rs.97.10 crores.
- Grant of moratorium on repayment of loan and interest holiday on all Government of India (GOI) loans upto 31.3.1999 for 10 years.
- Waive of interest accrued and outstanding on all Government of India loans as on 31.3.1999 amounting to around Rs.975.17 crores.

- Rs.79.33 crores non-plan loan during 1999-2000, with moratorium on repayment and interest holiday for five years subject to review at the end of five years.
- Exemption from payment of corporate tax in 1999-2000 on account of windfall profits due to waiver of interest on loans.
- Continuance of Government Guarantee for Rs.12 crores cash credit and Rs.80 crores bank guarantee facilities, with waiver of guarantee commission of 1%.

- As part of the restructuring package, Government also provided Government of India Guarantee for raising loans with full interest subsidy for separating 6000 employees. The company raised Rs.318 crores based on these Guarantee and separated 7373 employees.

Another financial assistance package consisting of the following was granted to the company in 2001-02 :-

- Non-Plan loan of Rs.89.44 crores for clearing outstanding salary and statutory dues of the employees.

- An increase in Government of India Guarantee by Rs.250 crores for raising further loans for separation of 5000 employees along with interest subsidy.

The following plan and non-plan assistance have also been provided to the company :-

(Rs. in crores)

Loan	2001-02	2002-03	2003-04	2004-05
Plan Loan	-	4.00	4.00	3.00
Non-Plan Loan	89.44	61.11	-	71.89

(c) & (d) All admitted VRS dues such as ex-gratia, gratuity and leave encashment have been paid to all employees separated under VRS. Provident Fund dues have been paid to all separated employees for whom Regional Provident Fund Commissioner has given clearance. Payment of salaries and wages has been made in full except for arrears on account of pay revision, payment of which is incumbent on the improvement of the company`s financial position.

(e) No such threat has been given to the employees by the Management of the company.

(f) Does not arise, in view of (e) above.